

Budget Briefing
Environment and Regeneration
Scrutiny

VALE of GLAMORGAN



BRO MORGANNWG

- Revenue Budget for Consultation
- Fees and Charges
- Capital Strategy Budget Proposals
- Revenue Monitoring
- Capital Monitoring

Revenue Budget for Consultation

Provisional Settlement - All Wales

- Local Government Settlement
- There has been a positive settlement for Wales as a result of the Barnett consequential. £227M of the £644M has been directed to local government which means the AEF increase for 2023/24 is 7.9%, a significant increase on the 3.5% anticipated.
- Overall Standard Spending Assessment (SSA) has increased by 6.2% across Wales and the key components School Services by 5.0% and Social Services 6.7%. The Schools Service increase takes into account the cost of the 2023/24 pay award but not the shortfall in the 2022/23 awards. The Social Services figure is higher due to the payment of the Real Living Wage to the care sector being factored in.
- The Vale of Glamorgan's AEF will increase by 8.9% (£16.6M) which is a £10M improvement on the 3.5% (£6.5M) anticipated in the Financial Strategy in October.
- The overall Vale SSA increase is 6.4% and the increases for Schools Service and Social Services 5.1% and 7.0% respectively.

Vale of Glamorgan Position

- At 8.9% AEF =£16.604m and 4.9% Council Tax = £4.284m, Total increased funding £20.888m or 7.66%
- £30.67m of pressures on a base budget of £273m is approx. 11%
- The Council has worked as a SLT to revise cost pressures down across Directorates
- Pay and Energy pressures total £15m across the Council.
- Significant Pressures around Residential/Domiciliary care providers and inability to commission care requiring significant growth to address as well as commitment to meet Real Living Wage.
- Homelessness is a continued pressure, also pressures around placement of Ukrainian refugees.
- Continued growth in demand for special school places at Ysgol Y Deri for which additional funding £1M is included, also funding for support in Mainstream settings, resource bases, additional provision required as part of Centre for Learning and Wellbeing and pupils requiring Social and Emotional support.
- School Transport – very few providers and shortage of drivers, increased need and inflationary pressures. £1m additional funding.

Updated Funding Gap

	2023/24 £K	2024/25 £K	2025/26 £K	2026/27 £K	2027/28 £K
Additional Funding					
Government Grant	16,604	5,597	6,244	6,306	6,369
Council Tax	5,311	3,829	3,978	4,134	4,295
Reversal of 2022/23 use of reserves	-500	-500	0	0	0
Use of smoothing Reserves	3,200	1,500	0	0	0
Total Additional Funding	24,615	10,426	10,222	10,440	10,664
Investment	1,010	1,518	1,763	1,301	282
Demography	1,150	2,493	2,493	2,493	2,493
Inflation	23,455	10,939	7,265	8,688	8,800
Other Pressures	5,055	(113)	166	637	0
Total Pressures	30,670	14,837	11,687	13,119	11,575
Overall Gap	6,055	4,411	1,465	2,679	911

Scrutiny Specific Cost Pressures

Description	2023/24	2024/25	2025/26	2026/27	Category of Growth
	£000's	£000's	£000's	£000's	
Environment and Housing					
Waste Contract Contractual Inflation - annual uplift in contract costs for the large waste disposal/recycling contracts	150	75	75	75	Inflationary
Leisure Contract - Increased energy costs associated with the Leisure Contract	250	0	0	0	Inflationary
Ground Maintenance Contract Inflation	40	0	0	0	Inflationary
Environment and Housing - Schools Transport					
School Transport - Inflationary increase	850	200	200	200	Inflationary
ALN transport - The cost of transport for the Demographic increase pupils Ysgol y Deri	150	150	152	152	Demographic
Total Environment and Housing - Schools Transport	1000	350	352	352	
Place					
Service Capacity Building	120				Investment
Total Place	120	0	0	0	

Savings Proposals

- The October Report set out a framework was put in place to facilitate the identification of savings proposals across ten themes
- Demand Management/Invest in Early Intervention
- Generating Income
- Service Review
- Invest to Save (omitted from the October report)
- Use of the Wider Community to Deliver Services
- Digital Strategy
- Corporate Asset Management Plan
- Workforce Review
- Contract Review/Procurement
- Community Engagement & Participation

Savings proposals were developed at service level and reviewed by SLT and Budget Working Groups

Scrutiny Specific Savings Proposals

Directorate Neighbourhood and Housing			2023/24 £'000s	2024/25 £'000s
All	Increase in fees and charges	Generating Income	30	
Highways	Parking Charging Review	Generating Income	20	100
Highways	Review Car Park Provison	Corporate Asset Strategy	50	-
Highways	Stop provision of sandbags	Service Review	5	-
Highways	Expand Construction and Design Team	Generating Income	-	25
Parks & Cleansing	Rationalisation of Public Conveniences	Corporate Asset Strategy	-	50
Parks & Cleansing	Review Charges for Coastal Toilets	Generating Income	-	5
Parks & Cleansing	Mobile Cleansing Service	Service Review	-	50
Parks & Cleansing	Mobile Parks Service	Service Review	-	50
Parks & Cleansing	Review Planting in Parks	Service Review	-	15
Parks & Cleansing	Do not apply for Green Flag and Coastal Awards	Service Review	5	-
Parks & Cleansing	Allotment Charging	Generating Income	3	-
Parks & Cleansing	Double Shift Mechanical sweepers	Service Review	40	-
Parks & Cleansing	Review use of external suppliers	Service Review	-	25
Parks & Cleansing	Reduce Grass cutting schedule to 5 cuts a year	Service Review	40	-
Parks & Cleansing	Jenner Park alternative model	Corporate Asset Strategy	-	65

- There are proposals for some small scale service review, the majority of proposals will cut vacant posts however the full impact will be dependent on outcome of the reviews undertaken by service areas in the period to March

Scrutiny Specific Savings Proposals

Directorate Neighbourhood and Housing			2023/24 £'000s	2024/25 £'000s
Support	Commercial Opportunities and Business Support review	Service Review	50	130
Support	Reassess Tracking Information to rationalise fleet	Service Review	-	10
Transportation	Charge for Post 16 Transport	Generating Income		-
Waste Management	Waste Collection for Black Bags to 3 weeks	Service Review	150	-
Waste Management	Green Bag Subscription Charge	Generating Income	500	-
Waste Management	Commercial Waste electric vehicles invest to save - business case	Invest to Save	-	50
Garage	Garage Generation of additional income	Generating Income	-	10
Garage	Charging for public use of Electric vehicle chargers	Generating Income	2	3

Scrutiny Specific Savings Proposals

Directorate Place			2023/24 £'000s	2024/25 £'000s
Regeneration	General Efficiencies within Regeneration service	Service Review	25	
Regeneration	Review of facilities contracts	Corporate Asset Strategy	10	23
Regeneration	Administration target for Creative Communities team	Generating Income	15	
Regeneration	Review of Regeneration & Economic Development Support Services	Service Review	62	
Regeneration	Reduce events grants budget	Service Review	3	
Regeneration	Review of visitor attractions in country parks	Service Review	50	22
Planning	Review planning and additional fee income (e.g. PPAs)	Generating Income	36	
Planning	Review of Business Support function	Service Review	44	

Reserves Proposals

- Total Reserves excluding Schools £114m and projected to reduce to £83m by 31st March 23.
- Fewer Reserves but greater alignment to key risks of the Council.
- More formal approach to approving the specific use of reserves.
- Aligned with detail on use of reserves in monitoring.
- Identified corporate provision for specific risk for instance Pay Pressures, Energy Pressures, Corporate Landlord, General Investment and Digital Strategy this includes centralising Directorate specific funds relating to these areas.
- SLT have fully reviewed Reserve proposals to consider the implication on committed expenditure and internal processes.
- Reserves have been used to smooth the impact of homelessness and energy costs stepped down over two years. The reserves will also be used to support the step in approach to Social Services cost pressures.

Next Steps and Timetable

- Cabinet 19th January 2023
- Public Consultation 20th January 2023-15th February 2023
- Scrutiny Consultation February 2023
- Final Proposals Cabinet 27th February 2023
- Final Settlement 3rd March 2023
- Final Proposals Council 6th March 2023

Discussion and Questions

- Members Questions
- Recommendations

Fees and Charges

Fees and Charges

- Consolidated Fees and Charges report includes fees across Neighbourhood Services, Resources, Place, Learning and Skills and Social Services.
- The majority of the proposed fees and charges reflect an increase of between 5% and 11% which has been rounded in some cases to the nearest 5p or 10p. Some fees and charges have increased higher than this percentage; remained the same; or decreased to reflect the take up of services and the cost of delivery and rationale for doing so is outlined in the body of this report.
- Some key links to the Budget Report – savings from additional income in Registrars (Corporate Resources) , Neighbourhood Services and Learning and Skills – cost recovery ACL and Libraries are all referenced in the savings listings.

Fees and Charges

Neighbourhood Services Fees and Charges (Appendix 1)

The majority of charges for Neighbourhood Services are proposed to increase in line with inflation (or slightly more reflecting take up of services and the cost of delivery). A small number of the fees and charges have remained the same as they are deposits paid by the customer which are later refunded.

- **Sporting activities** – mostly proposed to increase by between 5 – 5.5% which is less than the rate of inflation with the aim of promoting health and wellbeing and keeping these activities affordable. Some charges in Jenner Park have had to increase by greater amounts due to the increase in electricity costs at this site.
- **Bulky Waste** - It is proposed for bulky waste fees to increase by 25% due to the rising costs of providing this service and work towards full cost recovery. Whilst this does not fully cover the costs of providing these services, this increase is recommended to help reduce the risk of decreasing demand, therefore resulting in the dumping of such items which will then cost the Council more. For these reasons, the collection of additional bulky items (above 3; maximum of 5 items) are not proposed to increase.
- **Commercial Waste** Due to the competitive nature of the service, but simultaneously increasing costs of delivering this service, the proposed increase of commercial waste charges for 2023/24 is 11%.
- **Domestic waste** - administration charge for issuing a HWRC van and/or trailer permit is proposed to increase by 11% (to the nearest whole number) due to the costs of delivering this service having increased further. The purchase price for Hygiene Caddies are proposed to increase by 400% from £2 to £10.
- **Beach Huts** It is proposed to increase the fees and charges for daily hire and annual passes for beach huts at the recommended 11% for 2023/24. Charges for Weddings & Civil Partnerships at various coastal locations are also proposed to increase in line with CPI (11%)
- **Highway** - Some amendment to pricing strategies following benchmarking and review of full cost recovery. Report details some of the larger increase in fees.
- **Filming** – guide price increased by 11% however price paid is negotiable depending on requirements

Fees and Charges

Neighbourhood Services Fees and Charges

- **Car Parks**
- Town Centre car park charges (including 2 hour free period) are recommended to remain the same as to ensure residents are not discouraged from using town centre car parks.
- Coastal car parks have not seen an increase in charges since 2018/19. Due to the increasing popularity of our coastal resorts and the associated costs of maintaining them, it is proposed to increase the charge for car parking for up to 1 hour from £1 to £1.10 (10%) and the all-day charge (over 1 hour) from £6 to £6.50 (8%). Charges for parking after 4pm at coastal locations are due to change from £1 to £1.10 for up to 1 hour and £3 to £3.25 for the over 1 hour charge.
- A further review of car parking charges across the Council area, will be carried out as part of a car park review that is being undertaken to support the 2023/24 budget proposals and alongside the implementation of ANPR at the Council's Coastal car parks. Review anticipated in coming weeks. Move towards tiered parking charges properly considered.
- For customers that regularly use the Coastal car parks, seasonal tickets are still available and are proposed to be raised by 11% to contribute towards the increased costs of maintenance of our coastal resorts. The cost of a permit for 12 months will therefore be £55.50 in 2023/24.
- **Outdoor Trading Spaces** - Café Style licences and outside trading area. Increase of between 66% to 100%. The increases set out above are proposed to help generate income both to cover the costs of providing these services and to contribute any potential extra income towards other services where fees and charges cannot be increased to full cost recovery. The increases are significantly larger than the majority of the proposed fees and charges within this report due to a rise in demand within the last year. This increase has been informed by exercise reviewing the fees and charges levied by other local authorities surrounding the Vale of Glamorgan Council which considers that the proposed fee will still be competitive.
- **Transportation** - Due to the increasing costs of providing school transport, it is proposed that the fee for an annual travel pass on a contracted mainstream school bus service is to be increased in line with inflation (11%) and rounded up to the nearest pound; this will also apply to replacement bus passes.
- **Porthkerry Cemetery** – Proposed prices via Barry Town Council. Mainly increase by 5% however some have remained the same

Fees and Charges

Place Fees and Charges

- The proposals will enable the Country Parks to plan for the future management of the sites in a sustainable manner in times of reduced funding.
- Saving targets for the Countryside Service include the generation of additional income and these proposals seek to raise income from users of services which require resources to maintain and/or deliver, in a fair and balanced way, whilst also maintaining viable competitive services and attracting visitors and tourists as appropriate.
- Countryside car parks are proposing to introduce a charge of £1 for up to one hour car parking. Previously this charge was £1 for up to 2 hours. The charge for up to 2 hours is proposed to be £2 and the charge for up to 4 hours is proposed to increase from £2 to £4. The all day charge is proposed to increase from £4 to £5. The increase in prices is to contribute to the ongoing increase in maintenance costs of the Countryside Parks

Fees and Charges

Some delegations and additional reviews are being undertaken.

- Delegation to Director of Environment and Housing/S151 officer & Cabinet Member to amend prices or set any new charges during the course of the year.

Next Steps

- Scrutiny Committee Consultation currently being undertaken
- Comments to Corporate Performance and Resources
- Final Proposals to Cabinet on 27th February 2023

Discussion and Questions

- Members Questions
- Recommendations

Capital Strategy

Capital Strategy – Provisional Settlement

- On 14th December 2022, the Welsh Government (WG) announced the provisional 2023/24 General Capital Funding (GCF) settlement for 2023/24.
- The amount awarded to the Council is £6.997m, being made up of £3.545m grant and £3.452m of supported borrowing.
- This is an increase of £1.168m from the 2022/23 general capital funding of £5.829m (2021/22 General Capital Funding was £6.867m)
- WG have also advised that £20 million capital across Wales in each year is being provided to enable authorities to respond to the joint priority of decarbonisation. The Council is awaiting further information from WG in relation to this to understand what it means for us as a Council.
- WG have confirmed that the general capital funding will remain at the same level for 2024/25. No further projections beyond this point have been given.
- The table below represents the capital funding from the WG assumed as part of the 5 year programme:-

WG Funding	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
Supported Borrowing General Fund	3,452	3,452	3,451	3,451	3,451
General Capital Grant	3,545	3,545	2,378	2,378	2,378
TOTAL	6,997	6,997	5,829	5,829	5,829

5 Year Capital Programme

The total value of capital schemes over the next 5 years is £265m and this is summarised in the table below. This includes £40m for the Band B Sustainable Communities for Learning Programme and £167m for the Housing Improvement Programme.

Directorate	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
Learning and Skills	33,190	7,471	1,000	2,750	3,435
Social Services	618	1,067	725	100	100
Environment and Housing	57,662	45,790	37,517	26,006	24,294
Place	3,977	1,691	1,605	1,605	1,605
Corporate Resources	980	766	1,419	1,919	1,819
City Deal	1,949	1,835	2,594	0	0
Total	98,376	58,620	44,860	32,380	31,253

Capital Programme Funding

Funding	2023/24	2024/25	2025/26	2026/27	2027/28
	£000	£000	£000	£000	£000
General Capital Grant	3,545	3,545	2,378	2,378	2,378
General Fund (GF) Reserves/Revenue	14,140	930	900	900	800
HRA Revenue/Reserves	17,187	7,104	6,715	6,802	7,628
Capital Receipts	6,408	368	280	155	155
Grants	27,651	9,715	4,762	4,773	4,773
S106	5,736	1,006	600	2,350	3,035
Total	74,667	22,668	15,635	17,358	18,769
Borrowing Requirement					
Supported Borrowing	3,452	3,452	3,451	3,451	3,451
Unsupported Borrowing GF	3,064	5,178	2,594	0	0
Unsupported Borrowing HRA	17,193	27,322	23,180	11,571	9,033
Total Borrowing Requirement	23,709	35,952	29,225	15,022	12,484
Total Capital Programme	98,376	58,620	44,860	32,380	31,253

Capital Programme New Schemes 2023/24

As the provisional capital settlement from Welsh Government has now been received, it is proposed that new schemes are now included in the capital programme. The schemes are detailed in the appendix but for 2023/24 include:-

- **An additional £700k for resurfacing. (In addition to £300k already in the programme)**
- **£500k for bridge structures. Also £1.425m in 2024/25**
- **£410k Retaining wall Windsor Road**
- **£200k Penarth Leisure Centre – High Level Glazing – Increased construction costs (total budget £2.2m)**
- £250k for Social Services invest to save schemes.
- £230k for drainage repairs and underpinning works to Cartref Porthceri Residential Home. £23k for PV panels
- £275k for the safeguarding and security of external School boundaries.
- £140k Ysgol St Baruc Internal Adaptions for Ysgol y Deri Temporary Occupation
- £415k Ysgol Bro Morgannwg cladding works.
- £290k for health and safety priority items identified in School condition surveys.
- £200k Additional Education Asset Renewal.
- **£85k match funding for the Empty Homes Scheme Grant.**
- **£109k BSC2 – cost increase reconfiguration of BSC2 and car park**
- £150k Edge switching – increase robustness of ICT network
- £500k for decarbonisation schemes. Also £250k per year from 24/25 to 27/28.

Next Steps and Timetable

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Revenue Monitoring

Revenue Monitoring

- The report includes the revised budget for transfers – changes very limited. Transfers for Insurance and ICT Licences. Virement from Policy to Resources for Project Zero and Budget Transfers within Place to reflect some restructuring
- There is generally a reduced need from services of a contribution from the Policy underspend to offset additional pay costs and this is due to one off underspends in service areas such as vacant posts/social services deferred income adjustment.
- Neighbourhood Services & Transport is currently projected to have an adverse variance of £1.3m against the 2022/23 budget. Approximately £500k of this projection is due to the additional cost of the pay award agreement over and above the amount included within the base budget. Around £300k is due to the market forces pay uplift awarded to all waste drivers which was implemented due to the current shortage of drivers within the labour market and approximately £500k is due to additional payments that are still being made to the Council's leisure centre partner while they recover from the impact of Covid 19. This will be offset of a £500k contribution from the Policy underspend and £800k from Neighbourhood Services Reserve.
- Building Services - This service is currently projected to outturn with a deficit of around £150k due to the impact of the improved pay offer for 2022/23. It is proposed that the projected deficit of £150k is funded from the Building Services Improvement fund.
- The Place budget is subject to a virement to reflect the reorganisation in the Place Directorate, and the appointment of a Head of Sustainable Development which is reflected in the Appendix 1 to this report. Projected overspend of £74k in total due to the effect of the additional 22/23 pay award.
- Sustainable Development previously referred to as Development Management is feeling the effects of the likely recession and planning application fee income is still down against profile for the period.
- Regeneration – Is experiencing some reduced rental income in year and also the additional costs of the unbudgeted element of the 2022/23 pay award.

Revenue Monitoring

- Policy Underspend
 - £2m capital financing – continuing to internally borrow.
 - £250k CTRS reduction scheme take up
 - £500k investment income.
 - After use for Pay award and Oracle £1.487m available for School transport and additional Oracle costs
- Use of reserves
 - Planned drawdown from reserves as part of budget
 - Significant planned use of reserves for Capital £25m – this could be impacted by grant displacement or slippage.
 - Some planned use of reserves for Social Services budget programme Sustainable Communities for Learning schemes.
 - Unplanned use Oracle, HGV Drivers, Parkwood contribution, Building Services.

Discussion and Questions

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- Recommendations

Capital Monitoring

Capital Monitoring – At 30th November 2022

Approved Programme at final proposals £'000	Slippage Approved 21/22 to 22/23 £'000	Directorate	Additions £'000	Slippage Approved 2022/23 £'000	Approved Programme 2022/23 £'000	Slippage Requests In this report £'000	Other movement In this report £'000	Revised Programme 2022/23 £'000
20,381	3,314	Learning & Skills	13,876	(6,077)	31,494	(1,183)	39	30,350
180	725	Social Services	179	0	1,084	(15)	0	1,069
57,715	5,898	Environment & Housing	10,822	(25,043)	49,392	(780)	0	48,612
5,801	1,049	Place	877	(2,406)	5,321	(391)	62	4,992
856	509	Corporate Resources	1,200	0	2,565	0	104	2,669
273	0	City Deal	284	0	557	0	0	557
85,206	11,495	TOTAL	27,238	(33,526)	90,413	(2,369)	205	88,249

Capital Monitoring Recommendations – changes to 2022/23 and future years Capital Programme

There are seven requests within the remit of this Scrutiny Committee and there are highlighted below:

Removal of the Monitoring and Evaluation B4265 Aberthaw of Gileston and Fonmon scheme – £3k

Carry forward into the 2023/24 Capital Programme:

- Llanmaes Construction scheme - £540k.
- Business Service Centre 2 scheme - £300k.
- Barry Regeneration Partnership Project fund - £86k.

Additions & Increases & Movements in the 2023/24 Capital Programme:

- **Include** Fire Alarm at Community Enterprise Centre, Holm View - £18k, funded from reserves.
- **Include** Train Shed Roof, Barry - £24k, funded from reserves.
- **Increase** Local Places for Nature Capital Funding 2022-23 by £17k to be funded from grant.

One **Delegated Authority** within the remit of this Scrutiny Committee – increase budget for Barry Dock Interchange by £869k to £2.884m to be funded by grant from Welsh Government.

Progress on Significant Capital Schemes

Detailed below are paragraphs highlighting progress on significant capital schemes this financial year.

- **Housing Improvement Programme – New Builds** - During 2023/23 there will be 138 new Council homes under construction including single persons, older persons and family housing, on sites at the former Colcot Health Clinic, Barry (12 units); Hayeswood Road, Barry (53 units); Clos Holm View Phase 2, Barry (31 units); Coldbrook Road East, Barry (20 units); St Cyres Road, Penarth (14 units) and Maes y Ffynnon, Bonvilston (8 units).
- **Sustainable Communities for Learning Programme**- Considerable progress has been made to date, five schools within the Band B Programme are now operational. Cowbridge Primary School and the Centre for Learning and Wellbeing (known as Dderw Newydd) are both under construction and progressing well with both projects on track. Barry Waterfront Primary School is also under construction with works starting on the scheme in January 2022. It is anticipated the outline planning proposal for Ysgol Y Deri will be determined by February 2023 and St Nicholas CiW Primary School has received planning consent to redevelop the school to provide 126 primary school places and 24 part-time nursery places and the scheme started on site on 7th November 2022.
- **Waste Transfer Station & Reuse Shop** - Phase 1 is mainly complete and Phase 2 is underway with majority of the scheduled works on target or finished. The Waste Transfer construction contractor is due to hand the site over to the Council in February 2023 and the site is expecting to start receiving recycling and waste from March 2023. Construction of the reuse shop and all the utility connections is now complete and the service area is expected to start diverting reusable and saleable goods to the reuse shop and be operational by Spring 2023.

Discussion and Questions

- Members Questions
- Recommendations

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Thank you

